

**2015 TRIENNIAL REPORT ON  
UNIVERSAL SERVICE AND  
ENERGY CONSERVATION PLAN**

**Submission: June 1, 2015**

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# **Peoples TWP's 2015 Triennial Report on its Universal Services and Energy Conservation Plan**

## **I. INTRODUCTION**

Peoples TWP (“Peoples TWP”) hereby submits its Universal Service and Energy Conservation Plan (“Universal Service Plan”) which describes the programs offered to help meet the needs of its eligible limited income residential customers.

The 2012 Plan was updated in September of 2014 to reflect program changes and settlement commitments from Peoples TWP’s base rate proceeding<sup>1</sup>, the Independent Evaluation conducted in 2013, and settlement agreement commitments from Peoples Natural Gas’ recent merger of Equitable Gas Company.<sup>2</sup>

This plan includes a change to the percentage of income based payment amounts required of CAP participants. This change will be made to bring Peoples TWP’s CAP program parameters in line with its affiliate, Peoples Natural Gas. Administering one set of program components simplifies training, ensures consistent communication to customers and improves outreach materials. This change will not be implemented until approval is received through an upcoming tariff filing, modifying the language under Rule Number 21 (Universal Service Programs for Low Income Residential Priority Customers), to reflect the change in income based payment amounts.

## **II. OVERVIEW OF PEOPLES TWP UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN**

Peoples TWP serves about 63,000 customers across its western Pennsylvania service territory and approximately 58,000 are residential customers. Peoples TWP estimates that 12,000 of its residential customers are low income or income disadvantaged based on census data for Butler County which represents a large portion of Peoples TWP’s service territory.

To assist its limited and fixed income customers, Peoples TWP offers four primary Universal Service and Energy Conservation programs, consistent with regulatory requirements and good business practices. Those programs are: Customer Assistance Referral and Evaluation Services (“CARES”); Low Income Usage Reduction Program (“LIURP”); Emergency Furnace and Line Repair Program and Customer Assistance Program (“CAP”). Peoples TWP also informs its limited income customers regularly about available programs and assists them in applying for assistance available from a variety of community-based organizations, including local groups such as the Butler County Emergency Relief Initiative (“BERI”), the Dollar Energy

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<sup>1</sup> Docket No. R-2013-2355886

<sup>2</sup> Docket No. A-2013-2353647 – Joint Application of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company, LLC for: 1) the transfer of all issued and outstanding Limited Liability Co. Membership Interest of Equitable Gas Company, LLC to PNG Companies; 2) to merge Equitable Gas Company, LLC with Peoples Natural Gas Company LLC; 3) transfer of certain storage and transmission assets of Peoples Natural Gas LLC to affiliates of EQT Corporation; 4) the transfer of certain assets between Equitable Gas Company, LLC and affiliates of EQT Corporation; 5) certain ownership changes associated with the transaction, certain associated Gas Capacity and Supply Agreements; and 6) certain changes in the Tariff of Peoples Natural Gas Company LLC.

Fund, Inc. (“Dollar Energy”), federally-funded programs such as the Low Income Home Energy Assistance Program (“LIHEAP”), and Company-sponsored Universal Service and Energy Conservation programs. Program information is distributed to customers through bill inserts and direct mail pieces; automated messages through the Company’s Voice Response Unit; brochures that are distributed at a variety of locations and events throughout the Peoples TWP service territory and periodic advertisements through local media outlets. Peoples TWP also provides toll-free telephone numbers for customers to obtain program information and assistance.

Peoples TWP Universal Service programs include:

- i. **Customer Assistance Referrals and Evaluation Services (“CARES”) program** is designed to provide limited income and other special needs customers with referral resources.
- ii. **Customer Assistance Program (“CAP”) program** provides an affordable monthly payment based on household income, reducing prior account arrearages through an arrearage forgiveness component and provides an enhanced billing statement designed to improve payment habits.
- iii. **Low Income Usage Reduction (“LIURP”) program** helps limited income customers reduce their gas usage through installed conservation measures and energy conservation education.
- iv. **Emergency Furnace and Line Replacement** program was introduced in Peoples TWP’s 2013 base rate proceeding to provide a safety net for limited income customers who experience emergencies related to heating equipment or leaking service or house lines. Following Commission approval, this program became effective on January 1, 2014.
- v. **Other programs** include the Dollar Energy Fund and Low Income Home Energy Assistance Program-LIHEAP Cash and Crisis components, which provide vitally important assistance to address emergency situations including restoration of gas service.

Peoples TWP Shareholders will provide Dollar Energy Fund, Inc. (“Dollar Energy”) with an administrative donation of \$16,500 annually for four consecutive years beginning in 2014. This fund is to cover administrative expenses associated with Peoples TWP’s hardship fund program managed by Dollar Energy. In addition to the administrative funding, Peoples TWP contributes \$38,500 to match customer contributions. These monies are to be given to those eligible customers who apply for and are accepted by Dollar Energy for a hardship fund grant. If Peoples TWP’s customer contributions exceed the aforementioned amounts, Peoples TWP will match those additional customer contributions dollar for dollar.

Annually the Company includes a bill insert dedicated to Universal Service programs. Information on the Company’s Universal Service programs and available energy assistance is provided on the Company’s website at [www.peopletwp.com](http://www.peopletwp.com).

The table set forth in Section III shows the Company’s Universal Service and Energy Conservation program annual expenditures for the past four years.

**PEOPLES TWP UNIVERSAL SERVICE AND ENERGY CONSERVATION  
PROGRAMS FOR LOW-INCOME CUSTOMERS – ACTUAL EXPENDITURES**

<b>Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Customer Assistance & Referral Services (“CARES”) including LIHEAP outreach efforts	\$14,431	\$9,770	\$14,698
Customer Assistance Program (“CAP”)	\$492,687	\$672,307	\$1,148,805
Low Income Usage Reduction Program (“LIURP”)	\$217,242	\$262,254	\$281,664
Emergency Furnace & Line Repair Program	N/A	N/A	\$41,210
Dollar Energy Fund Hardship Fund	\$50,763	\$53,100	\$76,731

**DETAILED DESCRIPTION OF PEOPLES TWP UNIVERSAL SERVICE AND ENERGY CONSERVATION PROGRAMS**

**Customer Assistance and Referral Evaluation Services (“CARES”)**

The CARES program provides comprehensive services for customers who may have an inability to pay their gas bills and/or have special needs such as a serious medical condition, a mental health condition, limited learning ability, recent unemployment, single parent issues, etc. Customer Relations Specialists address all CARES referrals including those relating to Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14. Customer Service Center agents (“CSC agents”) refer special needs customers to the Customer Relations Specialists (“Specialists”) for assessment, assistance and additional referrals.

Referrals to the program are received from a variety of sources, including CSC agents, field customer service personnel, social service staff, community based organizations, and the Commission. The CARES program is intended for customers with immediate needs. Specialists provide short-term assistance to assure customers not only receive all necessary referrals to other programs, but are able to access those resources. The program referrals include Peoples TWP’s Universal Service Programs, available energy assistance sources, and public assistance such as Supplemental Nutrition Assistance Program (“SNAP”) and Medicaid. Specialists maintain an ongoing caseload and devote a considerable portion of time working with appropriate agencies

Specialists network with community and social service organizations throughout Peoples' service territory to better enable customers to receive appropriate referrals and third party assistance and funding. Some of these agencies and committees include:

- Health and Welfare Council
- Department of Aging
- Butler County Emergency Relief Initiative
- Health Department
- Pennsylvania Department of Public Welfare
- Social Service Agency Providers Council

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials. They are also active on networking committees such as:

- Be Utility Wise
- Air Conditioner Contractors Association of America (ACCA) Furnace Inspection Program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1

#### Gatekeeper Program

The CARES program also includes the Gatekeeper program which is designed to aid older adults and special needs customers who need help, but may not be able to access it themselves. Customer contact personnel are trained as "gatekeepers" to recognize certain danger signals such as changes in behavior, signs of confusion, or disability. Gatekeepers report the situation to the Specialist, who will make appropriate referrals to third party agencies such as the local Area Agency on Aging, or alert family members as needed.

#### Thermostats & Alternative Bills for Visually Impaired Customers

Thermostats for vision impaired customers are available for those who have been medically identified as having severe vision impairment. Peoples TWP provides and installs these devices free of charge. Customers can also request large print bills or Braille bills depending upon their circumstances.

#### Earned Income Tax Credit Educational Outreach

Peoples TWP promotes the Earned Income Tax Credit Program ("EITC") to educate eligible customers on the availability of the EITC and how to obtain the credit through the filing of their income taxes. Customers are informed about the program through bill inserts, Peoples TWP's website and through referrals from our CSC agents and Specialists.

### Low Income Home Energy Assistance Program Outreach

The Low Income Home Energy Assistance Program or LIHEAP is an important component of the CARES program. Peoples identifies income eligible customers and promotes the program through bill inserts, radio and television ads, press releases, press conferences, and letters sent to customers.

### **Low Income Usage Reduction Program (“LIURP”)**

#### Program Overview

Peoples TWP’s LIURP program is a weatherization and conservation education program targeted to low-income, high usage, payment troubled customers. Peoples TWP’s program was initiated in 1987, in response to PUC regulations at 52 PA Code §58.1 – §58.18.

#### Program Goals

The primary goal of the LIURP program is to weatherize homes of income eligible customers with high energy usage. The program provides customer education on how to conserve energy, and thereby, reduce their energy bills. The secondary goal is to reduce the number of delinquent and uncollectible residential accounts.

#### Program Participation Guidelines

Customers must satisfy the following qualifications to be eligible for Peoples TWP’s weatherization program:

- Total family income does not exceed 150% of Federal Poverty Guidelines. (Up to 20% of the annual program budget may be allocated to customers with incomes from 151 – 200% of the Federal Poverty Level on a case-by-case basis.)
- The customer must have a residential gas heating account.
- The customer must have resided at the premises and must not have had an extended break in service during the last 12 months.
- The customer must plan to live at the same address for the next 12 months.
- The customer must have annual gas usage of at least 120 Mcf/year.
- Renters must have the gas account in their name. Rental units must be metered separately and have individual heating systems. Landlord permission is also required.

## Outreach & Enrollment

- The program administrator, Conservation Consultants, Inc., provides outreach to eligible customers. Customers can also be referred by CSC agents or field personnel.

## Program Budget

- Up to 20% of the program budget may be used to assist customers whose income is within 151% – 200% of the Federal Poverty Level.
- The annual budget shall be \$280,000 as established in Peoples TWP's 2013 base rate proceeding and the settlement in the Joint Petition for the merger of the former Equitable Gas Company in December of 2013.
- Unused funds will be rolled over to the following program year.

## **Customer Assistance Program**

### **Program Description**

Peoples TWP's CAP is a limited income assistance program designed to provide an affordable monthly payment for payment troubled customers. A customer is considered payment troubled if he/she has broken a payment agreement, has received a termination notice, or is falling behind on their bill. Customers are assigned to one of three payment tiers based on annual household income as outlined below. CAP customers pay the calculated percentage of income amount or budget payment, whichever is lower, in place of their actual consumption charges. The difference between actual consumption charges and the CAP payment is called the CAP Credit. In June of 2015, the CAP Credit will be posted to the customer's account when the account is invoiced each month. The CAP Credit is recovered from non-CAP residential ratepayers through the Company's Universal Service Rider.

In addition to the calculated payment amount, CAP customers with existing balances at the time of program enrollment pay an additional \$5 towards the pre-program arrearage on a monthly basis. The pre-program balance will be extinguished through Arrearage Forgiveness in the amount of 1/36 per month when timely and complete CAP payments are made.

CAP customers receive a specially designed bill which was developed to provide key account information in a simple format while reinforcing the benefits of making timely payments.

The CAP payment amounts, as determined by income, are provided in the table below. If the customer's calculated percentage of income payment is higher than the current budget payment for their account, the lower budget payment will replace the calculated amount as the customer's required CAP payment. The percentages provided in the table that follows replace the percentages included in the prior Peoples TWP Universal Service Plan of 7, 8 and 9%. This change is made in order to bring Peoples TWP's process in line with its affiliate Peoples Natural Gas, reducing training needs for employees and providing consistent guidelines across the programs. It is planned for implementation in the fall of 2015.

<b>Federal Poverty Level</b>	<b>Up to 50% FPL</b>	<b>51% to 100% FPL</b>	<b>101% to 150% FPL</b>
Percentage of Income Payment Amount	8%	9%	10%
Minimum Payment	\$25	\$25	\$25

### CAP Plus

A CAP Plus amount, which is calculated by dividing LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season by the projected number of CAP participants, will be added to the calculated monthly CAP payment described above for all participating CAP customers.

### Outreach and Enrollment Procedures

- The Company's CAP program is administered by Dollar Energy Fund under the oversight of Peoples TWP's Customer Relations staff. Potentially eligible customers screened by the Company's Customer Service Center are referred to Dollar Energy Fund to complete a CAP application. Customers may also complete a CAP application through a participating agency.
- The Company's Customer Relations Department is actively involved in a number of special organizations and initiatives to increase knowledge of CAP and to encourage referrals of eligible customers. These special outreach efforts include, but are not limited to, the Butler County Stay Warm Summit, Butler County Utility Crisis Cooperative and the Butler County Center for Community Resources. Peoples TWP's active participation in BERI has also served to increase knowledge of the CAP program among Butler County's low-income customers.

### Application/Screening Procedures

- CAP is available to qualified residential customers, who use natural gas as their main heating source, with an annual income at or below one hundred-fifty percent (150%) of the Federal Poverty Level. The gas meter at the premise must serve only the customer's dwelling space. The account must be residential and the customer is permitted to have only one account in CAP.
- Customers who have received LIHEAP grants in the immediately preceding 12 months are automatically enrolled in CAP. Customers who have not received LIHEAP grants in the immediate preceding 12 months will be required to submit proof of income.
- When customers complete the enrollment process, a "Welcome to CAP" letter, describing the benefits of the program and the participant's responsibilities, is sent to the customer.
- Customers who do not return the required proof of income documents are contacted by the CAP administrator via letter to encourage them to complete the enrollment process.

- Information gathered for purposes of determining customer eligibility to participate in the CAP program is also used to determine customer eligibility to participate in the Company's LIURP program to maximize the efficient operation of both assistance programs.

#### CAP Program Operation and Customer Responsibilities

- The customer is advised to notify the Company of any changes to income, household size or residence.
- The customer must make timely monthly CAP payments including a \$5.00 monthly payment on arrears if applicable.
- Customers with pre-CAP balances are eligible for Arrearage Forgiveness equal to 1/36<sup>th</sup> of the pre-CAP balance each month when timely and complete CAP payments are made.
- The customer should apply for Low Income Home Energy Assistance Program (LIHEAP) benefits and direct the payment of LIHEAP to the Company. The Company will apply the LIHEAP benefits to the customer's account in accordance to all applicable Department of Public Welfare Rules and Regulations.
- High usage customers may be encouraged to apply for Low Income Usage Reduction Program (LIURP) weatherization
- Customers participating in CAP are not eligible to choose an alternative Natural Gas Supplier.
- CAP customers must allow regular access to their gas meter for meter reading purposes.
- CAP customers who receive LIHEAP benefits or are on a fixed income (Social Security, Pension or Disability) will be required to recertify income every two years. All other CAP customers will be required to recertify income annually.
- CAP customers who fail to recertify income as required will be removed from the CAP program.
- Late payment charges will not be imposed on CAP customers.
- Delinquent CAP customers will not be removed from CAP, but will subject to active collection and termination of service for failure to maintain timely CAP payments.

#### Default Provisions

- A customer may request removal from the CAP program. Customers who voluntarily remove themselves from the program will be ineligible to re-enroll in CAP for one full year.

#### Customer Consumption Responsibilities

- The Company will monitor CAP customers who use more than 120% of the historical average usage taking into account significant weather changes for three consecutive months. Once a customer exceeds such usage level, the Company will implement a progressive consumption monitoring protocol.
- The CAP customer will be contacted to determine if the increased in gas usage is justified. Justified usage may include: increase in household

size, serious illness of a family member, or usage beyond the household's ability to control. Special needs customers identified through this process will be referred to the CARES program as needed.

- Any customer with unjustified excess usage will be contacted and provided with conservation information, tips for decreasing usage, and referred to weatherization programs. Unjustified excess usage may be billed to the CAP customer or the CAP customer may be removed from the CAP program.

### **Emergency Furnace & Line Repair Program**

Peoples TWP's Emergency Furnace & Line Repair Program was established in its 2013 base rate proceeding. Annual funding for the program is \$50,000. Many low income customers are faced with the prospect of going through the winter months without heat because they cannot afford to have their furnace or service lines repaired and there are very few programs to provide assistance and support. Peoples TWP's Emergency Furnace and Line Repair Program was established in its 2013 base rate proceeding to provide a safety net for customers at or below 200% of the Federal Poverty Level to address emergency heating related needs.

#### Outreach & Participation

Peoples TWP will coordinate the emergency program with existing programs through Department of Community Economic Development ("DCED") and LIHEAP Crisis Program and will accept referrals from community based organizations, Company representatives and other third parties.

Eligible Customers will be referred by company representatives, social service agencies, and other assistance programs. Income eligibility will be based on receipt of LIHEAP, Dollar Energy Fund or other proof of income.

#### Program Administration

The program will be administered by Conservation Consultants, Inc. In order to realize efficiencies and better coordinate with other programs, the agency will utilize subcontractors who are currently working to implement the Peoples TWP's LIURP program. Peoples TWP requires that all contractors received appropriate clearances prior to participating in the Company's program.

**III. UNIVERSAL SERVICE AND ENERGY CONSERVATION PROGRAM SERVICES / BENEFITS**

Program	Customers Receiving Benefits/Participating Customers at Year End			
	2011	2012	2013	2014
Customer Assistance and Referral Services ("CARES") and LIHEAP participation	6,949	6,303	5,320	5,118
Dollar Energy Fund, Inc.	152	130	120	196
Low Income Usage Reduction Program	30	28	46	60
Emergency Furnace & Line Repair	NA	NA	NA	18
Customer Assistance Program ("CAP")	1,470	1,126	1,113	2,682

Program	Dollar Amount of Benefits Provided			
	2011	2012	2013	2014
Customer Assistance Referral and Evaluation Services ("CARES") and LIHEAP participation	\$2,737,300	\$1,536,687	\$1,498,618	\$1,267,146
Dollar Energy Fund, Inc.	\$59,640	\$61,430	\$53,100	\$76,731
Low Income Usage Reduction Program	\$224,312	\$217,242	\$262,254	\$281,664
Emergency Furnace & Line Repair	NA	NA	NA	\$41,210
Customer Assistance Program ("CAP")	\$992,087	\$492,687	\$672,307	\$1,148,805

#### **IV. CONCLUSION**

Peoples TWP appreciates the opportunity to submit this Triennial Report on the operation, administration and practical impact of its Universal Service and Energy Conservation Plan. Peoples TWP continues in its effort to improve the effectiveness of the programs described in this Report through an ongoing best practices approach throughout the combined Peoples' organization.